

Filed for intro on 01/31/2002
SENATE BILL 2900 By
Jackson

HOUSE BILL 2837
By McMillan

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 12, Part 1, relative to financial responsibility.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 55-12-102(12), is amended by adding the following language as a new, appropriately designated item:

(D) Minimum amounts of liability insurance coverage as required pursuant to this subdivision to be adjusted annually in accordance with §55-12-141.

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 12, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section 55-12-141.

(a) The minimum insurance limits for proof of financial responsibility compliance for motor vehicle operators in Tennessee shall be adjusted in accordance with the consumer price index (all items - city average) on an annual basis January 1. The increase (or decrease) shall be rounded to the nearest increment of one thousand dollars (\$1,000). Each motor vehicle operator purchasing insurance coverage shall be required to purchase the minimum

insurance coverage limit in effect during the year when the motor vehicle operator's coverage comes up for renewal; that is, an insurance contract for one (1) year or less complies with this section if the amount of coverage stated in the contract is, at a minimum, the insurance coverage amount specified by the department of commerce and insurance in accordance with this section as of January 1 of the year in which the contract was made.

(b) The first adjustment pursuant to this section shall be made on January 1, 2003. Such adjustment shall be adjusted by the index referenced in subsection (a) retroactive to December 31, 1989; that is, the first adjustment shall be made retroactively to December 31, 1989, so that such limits are adjusted and made current for the rate of inflation based upon the index referenced in subsection (a).

(c) The department of commerce and insurance is authorized to promulgate rules to carry out the purposes of this section.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.